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PM/DTCC FOR BLUE LANTERN COORDINATOR

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [TH](#)  
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK ON  
LICENSE 610001321

REF: SECSTATE 158200

1. (U) Post's pre-license check on Chaiseri Metal & Rubber Co. raised significant concerns about the company's understanding of USG regulations pertaining to United States Munitions List (USML) items. The company appears to be producing USML defense articles without a manufacturing license and transferring U.S. origin items to other countries.

2. (U) According to the Thai Ministry of Commerce, Aekphatt Firearms Ltd Partnership is registered as follows:

Registration No. 0135533001424  
Registered Date: November 14, 1990  
Status: Limited Partnership  
Name: Chaiseri Metal & Rubber Co., Ltd.  
Capital Registration: 150,000,000 Baht  
Business partners: Hiran Koolhiran and Kitti Koolhiran  
Authorized executives for legal commitments are Mr. Hiran Koolhiran to co-sign with Mr. Kitti Koolhiran and the Company's stamp.

Company Location: 41/1 Moo 1, Phaholyotin Rd., Tambon Khlong Nueng, Amphoe Khlong Luang, Pathumthani

The company has submitted annual financial reports for 1999-2006.

Purpose of Company: To produce and manufacture wheeled vehicles, belt-powered vehicles, belt joints, belted wheels, and gears.

3. (U) According to the Telephone Directory Center, the phone numbers for Chaiseri are 02-516-8374 and 02-516-4990. The registered location for the company is 41/1 Moo 1, Phaholyotin Rd., Tambon Khlong Nueng, Amphoe Khlong Luang, Pathumthani.

4. (U) POL FSN December 19 made an unannounced visit to Chaiseri's registered location and met with Prasit Koolhiran. Prasit, Chaiseri's production manager, was unwilling to discuss company's legal documents and management procedures and suggested that Hiran Koolhiran could better answer questions. This location is a large tract of land along a main highway in an urban area. The two structures on the property are a four-story office building and a warehouse/factory building at the rear of the property. Prasit declined a request to visit the warehouse/factory building. One security guard and several office staff were at the office building.

5. (U) POL FSN visited Hiran Koolhiran at the location indicated reftel, 59 Moo 6, Pathum - Banglen Rd., Kubang Luang, Lad Lum Kaew, Pathumthani. This location is another large tract of land along a main road with an office building and several production buildings. Hiran would not permit a visit to the production area. Hiran said he was busy with the preparation for a December 20 inspection by representatives of the Thai armed forces and declined to provide detailed answers. Hiran said the company complies with the U.S. regulations and was willing to provide necessary documents. He explained that the factory manufactures spare parts for armored vehicles for both export and domestic use. Parts imported from the U.S. are for domestic use only and would not be transferred to a third country, Hiran said. Chaiseri notifies the Thai Ministry of Defense's Department of Defense Industry Sales of all sales, imports, and exports.

6. (U) POL FSN met Hiran Koolhiran January 3 and Hiran confirmed the purchase order for items listed in reftel but attempted to avoid providing details of the purchase. Hiran

initially was ambiguous about the origin of the items in the order and later claimed that he had designed these items but had not yet copyrighted them. After further inquiries, Hiran admitted that Chaiseri had imported items of U.S. origin to repair armored vehicles in Thailand and that the company had manufactured the items ordered by IPS by copying the items of U.S. origin. Chaiseri had also transferred items of U.S. origin to customers in other countries in the past, Hiran admitted.

17. (U) Regarding restrictions on arms sales, Hiran said he had no knowledge of International Traffic in Arms Regulations and was unable to demonstrate an understanding of restrictions placed on USML items; particularly prohibitions against unauthorized re-transfers or manufacturing of USML items. Post was unable to verify Chaiseri's record-keeping procedures for transactions involving M113 parts and other USML items because Iran refused to explain these procedures.

18. ( ) Hiran claimed that he manufactured the items in question under the authorization of the Thai Ministry of Defense but he refused to provide a copy of such authorization. POL FSN was able to view the production floor at this location but Hiran denied access to the warehouse. Hiran claimed his company never maintained stocks of M113 parts or other USML items. Ten production workers were in the factory but no security guards were present.  
JOHN